

**The Corporation of the City of Kawartha Lakes**  
**Council Report**

**Report Number CAO2019-002**

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**Date:** January 15, 2019  
**Time:** 2:00 p.m.  
**Place:** Council Chambers

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**Ward Community Identifier:** All

**Title:** Private Recreational Cannabis Retail Storefronts

**Author and Title:** Ron Taylor, CAO  
Alix Scarr, Senior Licensing Officer

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**Recommendation(s):**

**That** Report CAO2019-002, **Private Recreational Cannabis Retail Storefronts**, be received; and

**That** the City of Kawartha Lakes opt-in to allow Private Recreational Cannabis Retail Storefronts to operate in the City of Kawartha Lakes.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

It is expected that the first 25 Private Recreational Cannabis Retail Storefronts in Ontario will open on April 1, 2019. The Alcohol and Gaming Commission of Ontario (AGCO) has developed and will enforce a comprehensive licensing and regulation program for the private sale of recreational cannabis. Municipalities must provide notice of Councils decision to opt-in or opt-out of private recreational cannabis retail storefronts in their municipalities to the ACGO by January 22, 2019.

## **Rationale:**

Bill C-45, *The Cannabis Act*, legalized cannabis in Canada as of October 17, 2018. The federal government regulates the production of cannabis and provincial governments are responsible for setting regulations regarding sale and distribution of recreational cannabis.

In Ontario, the ACGO has developed a licensing process for private cannabis retailers that largely excludes the municipality but includes many components that will ensure that private recreational cannabis retail storefronts operate in a manner that will encourage safe use of cannabis products and operate in a manner in which not to encourage consumption by youth under the age of 19. Additional regulations for private recreational cannabis retail storefronts include:

- Stores must be 150 meters from any private or public elementary or secondary school
  - o A radius distance will be measured from The property line, if the school is the primary or only occupant of a building or the boundary of any space occupied by the school within the building, if the school is not the primary or only occupant of a building;
- Stores must be stand alone, meaning they standalone; that cannot be a part of a store or added to stores that sell other products, including pharmacies and stores selling alcohol;
- Persons must be 19 years of age or older to enter the stores;
- Stores are only permitted to sell legally sourced cannabis and cannabis accessories;
- Stores are only permitted to operate between 9am and 11pm;
- Cannabis, cannabis packaging, or cannabis accessories must not be displayed in a way that may be seen by a young person

In addition to the above, there are specific operating requirements including mandatory staff training, strict security requirements, as well as screening requirements of any persons wishing to operate or be employed by a private recreational cannabis store.

Staff has participated in numerous conversations with the AGCO and are satisfied that the AGCO licensing requirements, if diligently enforced, will be effective in ensuring private cannabis sales are done in a manner that will minimise social harm.

Staff has also been monitoring correspondence received from members of the public, business associations, as well as other agencies and organizations. The majority of responses have been in favour of permitting private recreational cannabis stores in the City.

### **Other Alternatives Considered:**

Council has the option to opt-out of Private Recreational Cannabis Retail Storefronts, however opting out is not recommended by staff. Prohibiting private recreational cannabis retail storefronts in the City will restrict resident's access to legal, recreational cannabis in the City which may have the unintended consequence of supporting the illegal market. Moreover, should private recreational cannabis retail storefronts not be permitted in the City, residents wishing to purchase legal recreational cannabis will be restricted to doing so in other municipalities where storefronts are permitted or through the provincial governments Ontario Cannabis Store website. Opting out will only serve to restrict purchasing options for consumers of legal recreational cannabis, not eliminate its presence in the City.

Should Council wish to opt-out of Private Recreational Cannabis Retail Storefronts in the City, the following resolution should be passed:

**That** Report CAO2019-002, **Private Recreational Cannabis Retail Storefronts**, be received; and

**That** the City of Kawartha Lakes opt-out of Private Recreational Cannabis Retail Storefronts from operating in the City of Kawartha Lakes.

**That** staff be directed to provide notice of Councils decision to opt-out of Private Recreational Cannabis Retail Storefronts to the Alcohol and Gaming Commission of Ontario on or before January 22, 2019.

### **Financial/Operation Impacts:**

The Province has announced that it will provide \$40 million over two years to municipalities across Ontario to offset costs incurred by cannabis legalization. The Province will provide a first payment of \$15 million to all municipalities in

January 2019. Of this, approximately \$100,000 has been allocated to the City of Kawartha Lakes.

Only municipalities that opt-in to cannabis retail stores will receive funds out of a second \$15 million budget allocated to municipalities. The remaining \$10 million of the municipal funding has been earmarked to address costs arising from unforeseen circumstances related to cannabis legalization however the details of how these funds will be allocated have not yet been announced.

### **Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

Permitting Private Recreational Cannabis Retail Storefronts in the City aligns with Goal 1 of the 2016-2019 Strategic Plan and will contribute towards building a vibrant and growing economy.

### **Consultations:**

N/A

### **Attachments:**

Appendix A – Legalization of Recreational Cannabis Presentation



Cannabis  
Presentation Decemb

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**Department Head: Ron Taylor**

**Department File:**